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TAGS: [ECON](#) [EFIN](#) [EPET](#) [IZ](#) [KCOR](#) [PGOV](#) [PREL](#)
SUBJECT: OIL FOR FOOD CONTRACTS

REF: BAGHDAD 1390

Classified By: Economic Director Michael Dodman, reasons 1.4 b,d.

¶1. (C) Summary: Iraq hopes to resolve the remaining Oil for Food (OFF) contracts by the end of the year, Ministry of Foreign Affairs (MFA) Chief of Staff Srood Najib told EMIN on July 29. Najib estimated that 50 outstanding OFF contracts remain -- down from 80 in April -- and promised to send the Embassy a list of the cases. He also said MFA officials would soon contact the Embassy to discuss inventorying the OFF documents in USG possession and moving them to a new location under Iraqi control. End Summary

¶2. (C) In a July 29 meeting, Ambassador Najib told us that Prime Minister Maliki had sent letters to the ministries involved in the remaining OFF contracts. The letters, Najib said, instructed the ministries to report to the MFA on the status of the disputed contracts by early August and to resolve them before 2010. Otherwise, the GOI planned to cut the ministries' budgets by the amounts of the unresolved contracts, Najib said. He commented that nearly all the outstanding files belong to three ministries: Trade, Oil, and Agriculture.

¶3. (C) Najib also stated that the GOI wants to take control of the OFF documents still under Embassy control "as soon as possible" and store them at the MFA. He said MFA officials and administrative staff members would contact the Embassy in the next few days to discuss inventorying and then safely moving them to a secure location. Najib added that two U.S. lawyers hired by the GOI are pursuing 92 cases involving alleged violations of Iraqi and U.S. laws relating to the OFF program. These lawyers have sought access to the OFF files currently maintained by the embassy; Najib requested that any access for these lawyers be first coordinated with him.
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